

DATELINE:

LABOR & WORKFORCE DEVELOPMENT

A quarterly publication for employers from the Tennessee Department of Labor & Workforce Development

March 2001



Trust Fund balance down \$7.2 million in CY 2000

For the first year since 1992, the Unemployment Insurance Trust Fund balance declined during a calendar year. The fund dropped \$7.2 million, from \$866.0 on December 31, 1999, to \$858.8 million on December 31, 2000.

Why did the trust fund decline during the best economy in Tennessee history?

Tennessee's Unemployment Trust Fund is funded by your employer premiums and reimbursements and used only to pay unemployment benefits to Tennessee's unemployed workers who are eligible to receive benefits. The ideal funding concept is to build trust funds in good economic times so that money will be there to pay benefits during downturns in the economy.

The United States Department of Labor recommends that state trust fund balances be sufficient to fund a year of benefits at the average rate benefits were paid during the three highest benefit pay-out periods in the last 20 years. According to USDOL calculations, Tennessee's Trust Fund balance could sustain benefit payments for only 95% of a year during a severe recession.

As the figures below show, since 1996 Tennessee's Trust Fund has paid more in benefits than it has received in employer premiums and reimbursements. We expect 2001 through 2003 will have a similar deficit, even if the economy remains stable.

<u>Year</u>	<u>Benefits Paid</u>	<u>Employer Premiums</u>
	<u>Out (millions)</u>	<u>Collected (millions)</u>
1996	\$322.0	\$272.3
1997	\$306.3	\$269.5
1998	\$320.0	\$284.1
1999	\$323.6	\$280.7
2000	\$361.8	\$296.1

While the average unemployment weekly benefit amount and the maximum unemployment benefit amount have increased since 1983, there have not been corresponding increases in premium revenue.

In 1983, the lowest premium table rates ranged from 0.15% to 2.6% for employers with positive reserves; today, those rates range from 0.0% to 2.3%. The \$7,000 taxable wage base has remained the same since 1983; however, as enacted by the Tennessee General Assembly, the maximum weekly benefit amount a claimant can receive has more than doubled (from \$110 to \$255). Also, Tennessee's average weekly wage has almost doubled (from \$295 to \$572) during the period.

TOSHA Consultative Services a help to employers

Have you ever had to tell a family member that a worker was injured or killed? Have you had to deal with the paperwork associated with on-the-job injuries?

Are your injury costs too high? Are you a small employer who wants to identify and eliminate hazards that contribute to costly

injuries and illnesses in your business? We will help.

Tennessee OSHA's Consultative Services is designed to work with small employers (250 employees or fewer on-site or 500 nationwide) who want to

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Routing Box

- ☐ Personnel Director
- ☐ Manager
- ☐ Payroll Officer
- ☐ Other

Check out the Employment Security Web site!

The Department of Labor & Workforce Development has unveiled a new Web site for its Employment Security Division, which provides enhanced services for the state's employers. Among the online services available is the capability for downloading and printing many of the most commonly used forms, including the following:

- ☞ Report to Determine Status - Application for Employer Number
- ☞ Report to Determine Status - State and Local Government
- ☞ Report to Determine Status - Nonprofit Organization
- ☞ Claim for Adjustment or Refund
- ☞ Application for Transfer of Experience Rating Record
- ☞ Electronic Funds Transfer Agreement
- ☞ Electronic Filing Agreement
- ☞ Notice of Appeal
- ☞ Request to Withdraw Appeal
- ☞ Request for Subpoena
- ☞ Request to Reschedule Hearing

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Numbers

TN unemployment rate (Jan. 2001) 4.2%
TN unemployment rate (Jan. 2000) 3.7%

US unemployment rate (Jan. 2001) 4.2%
US unemployment rate (Jan. 2000) 4.0%

UI trust fund (Jan. 2001 - est.) \$824.4 million
UI trust fund (Jan. 2000) \$854.5 million

Consultative Services (cont.)

identify hazards and to reduce injuries and illnesses on the job. Our well trained, professional Safety and Health staff has successfully performed more than 4,000 consultation visits in Tennessee workplaces. We will identify hazards if they exist and recommend methods for correcting them. Also, we can help you develop a safety program to keep those hazards from recurring. If you have a safety and health program we will give you ideas to improve it.

Want a comprehensive visit or just a part of your plant evaluated to find the potential hazards in your workplace? Want the air and noise levels in your facility measured at no cost? Want your construction site checked out? We can do it.

Following the on-site visit and training, the consultant will provide you with a written report that has a list of hazards and ways of correcting and preventing them.

It's free. State and federal tax dollars fund this program, which gives directly back to the business community.

It's **confidential**, and there are **no penalties**. Your only obligation is to correct hazards that are found by our consultant that could result in serious injury or illness and to involve employees in the correction of those hazards.

Ask about our special **Safety and Health Achievement Recognition Program (SHARP)** that qualifies you for a two-year exemption from planned TOSHA inspections.

What have you got to lose except work-related injuries or illnesses? **Make a good move.**

Call us at **1-800-325-9901** or write us at the following address:

**Tennessee Department of Labor
& Workforce Development
TOSHA Division
Consultative Services Section
710 James Robertson Pkwy 3rd**

Floor

Nashville, Tennessee 37243

Web site (cont.)

This upgraded site offers employers a full-service directory that outlines the services for employer accounts and benefits. Employers will also find instructions for electronic filing, Automated Clearing House specifications, and instructions for Appeals Tribunal hearings.

For new employers, the site provides

office locations and descriptions of how each office works with the state's employers. The site addresses *frequently asked questions* pertaining to employer accounts, benefit audits, and fraud prevention.

Additionally, we've included detailed references to the law and an abundance of documentation relating to wage and premium reporting. There is also a "search" function that allows employers to look up issues by keyword.

The new site went online in February. It can be reached via the Labor & Workforce Development site at www.state.tn.us/labor-wfd by clicking the "Employment Security Division" link.

UI reporting questions?

Many times employers don't know whom to contact when they have questions or problems with their quarterly reports. Listed below are the primary Employer Accounts units and their functions. This same information is now also available on our updated Web site.

Employer Services Unit (615) 741-2486

- ☛ Determines whether an employer is liable for Unemployment Insurance
- ☛ Processes applications for accounts
- ☛ Processes changes to an account such as address, phone numbers, etc.
- ☛ Processes changes in business ownership
- ☛ Determines Unemployment Insurance premium rates

Report Audit Unit (615) 741-3120

- ☛ Processes all incoming mail, checks, and reports
- ☛ Answers questions relating to Federal (IRS) certification

Employer Accounting Unit (615) 741-1619

- ☛ Insures correct posting of premium reports and payments
- ☛ Processes refunds and adjustments to employers accounts
- ☛ Answer questions relating to premium reports and account balances

Wage Records Unit (615) 741-3280

- ☛ Processes wage reports (paper and magnetic media)
- ☛ Processes corrections to individual Social Security Numbers
- ☛ Researches wage discrepancies on claims

for benefits

- ☛ Answers questions relating to wage reports

Delinquency Control Unit (615) 741-5103

- ☛ Handles issues and questions relating to liens
- ☛ Handles issues and questions relating to bankruptcies

Please call any of these units with your questions or contact your local Employer Accounts office listed in your telephone directory under the Department of Labor and Workforce Development.

Reminders From Employer Accounts

Employers must return both the Wage Report (LB-0851) and Premium Report (LB-0456) mailed to them by the department. The Wage Report (LB-0851) is required to be returned **even when submitting a computer generated listing of employee wage earnings**. Failure to return the Wage Report (LB-0851) may delay processing of your return and cause additional correspondence with our agency.

Employers with **fewer than 250 wage items** may attach a computer generated list of employee wage earnings. To request instructions on acceptable computer generated listings of quarterly employee wage earnings, contact our Wage Records Unit at (615) 741-3280.

Occasionally, employers overlook filing the Wage and Premium Report when they have no payroll during a quarter. **A report must be filed for quarters in which the employer has no payroll.** Penalties are assessed for failure to file reports in a timely manner, even a no-payroll report. The penalty is \$10 a month (or portion of a month) for which the report is late, up to a maximum of \$50 for each delinquent or incomplete report.

The Tennessee Department of Labor and Workforce Development is an equal opportunity employer. Auxiliary aids and services are available upon request to individuals with disabilities.

El Departamento del Trabajo y Desarrollo de la Fuerza Laboral de Tennessee es un patrono que ofrece igualdad de empleo. Ayudas auxiliares están disponibles para individuos con impedimentos.



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